

26 October 1976

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*These two being
sent to all
annuitants.*

Dear Annuitant:

Public Law 94-522, enacted 17 October 1976, amended the Agency Retirement Law in several significant respects. This letter will explain the changes and provide instructions for any action required on your part. The questions and answers accompanying this letter provide information on the practical implementation of certain of the amendments.

MAJOR CHANGES

A. Increase Annuities Based on a Retirement Prior to 20 October 1969.

The annuity payable to an annuitant who retired or separated before 20 October 1969 will be increased by \$20.00 per month. A survivor annuity to a widow or widower (not to a child) of an annuitant who retired or separated before 20 October 1969 will be increased by \$11.00 per month. These increases are effective retroactively to 1 August 1974 and are subject to subsequent cost-of-living adjustments. These increases for eligible annuitants or survivors will be included in the October annuities payable on 1 November.

B. Survivor Annuity to "Second" Spouse of Retiree Who WAS Married at the Time of Retirement.

Heretofore a married employee, unless he elected "an annuity without survivor benefit" at the time he retired, had to designate his or her spouse and only the spouse so designated could receive a survivor annuity benefit. If the designated spouse predeceased or was divorced from the retiree and the retiree later remarried, the new spouse could not qualify for the survivor annuity.

The change in law automatically substitutes the retiree's surviving spouse acquired after retirement for the one designated at the time of retirement. The amount of annuity to the spouse acquired after retirement is the same as would have been payable to the spouse designated at the time of retirement had that spouse survived the retiree.

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This amendment shall not apply in the case of participants who died before 8 January 1971.

C. Survivor Annuity to Spouse of Retiree Who Was Unmarried at Time of Retirement.

The change in law permits a retiree who was unmarried at the time of retirement to change his earlier election of "single life" or "insurable interest" to provide a survivor benefit for the acquired spouse if he married after the date he retired. Such a post-retirement election of "reduced annuity with survivor benefit to spouse" must be in writing, signed by the retiree and received by the retirement system within 1 year from 17 October 1976, the date of the enactment of P. L. 94-522, or within 1 year from the date of the post-retirement marriage, whichever is later.

Upon receipt of such a post-retirement election, the retiree's current annuity will be recomputed and appropriately reduced to provide for the survivor benefit. The reduced annuity is effective the first day of the month after the election is received. The spouse's annuity will be the same as though the retiree had been married to the spouse at the time of retirement.

Once such a post-retirement election has been accepted by the retirement system, it cancels the previous "single life" or "insurable interest" election and is irrevocable.

D. Elimination of the Annuity Reduction During the Period Annuitant is Unmarried.

The new law eliminates the annuity reduction for months during which the annuitant is not married. Thus, when a marriage of an annuitant is dissolved due to death, divorce or annulment, the annuity will be recomputed to eliminate the reduction for survivor benefits beginning with the month following the one in which the marriage was dissolved, and for each full month thereafter during which the annuitant is not married. If and when the annuitant is again married, the annuity will be reduced beginning the first day of the month in which the remarriage occurred. The elimination or restoration of the reduction when a spouse predeceases the annuitant or when an annuitant remarries, and the effective date thereof, is by operation of law and is not dependent upon

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our receipt of appropriate or timely notice from the annuitant; nor can the annuitant, upon remarriage, elect continuation of the single-life and unreduced annuity.

The increases in annuity provided by this change in law may not be paid for any month prior to November 1974.

E. Changes Applicable Only to Disability Annuitants.

The new law makes important changes which apply to disability annuitants under age 60. A special notice will be sent to annuitants affected by these changes.

F. Time Limit for Filing Applications for Disability Retirement.

The new law permits an employee who separated or retired on non-disability to apply for disability retirement, but such application must be filed within one year from date of separation or retirement from the Agency. This time limitation may be waived by the Director for a participant or annuitant who at the date of separation from the Agency or within one year thereafter is mentally incompetent, if the application is filed with the Agency within one year from the date of restoration of the participant or annuitant to competency or the appointment of a fiduciary, whichever is earlier.

G. Survivor Annuity to a Child in Process of Adoption.

The new law permits the payment of a survivor annuity to a child who lived with and for whom a petition for adoption was filed by a participant and who is adopted by the surviving spouse after the participant's death. This amendment shall not apply in the case of participants who died before 8 January 1971.

H. Credit for Service while in Receipt of Benefits under Federal Employees Compensation Act.

The change in law allows for a participant or former participant who returns to Government duty after a period of separation to have included in his period of creditable service that part of the period of separation in which he

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was receiving benefits under Chapter 81 of Title 5, United States Code. Such service shall be counted whether the person returns to duty before, on, or after 8 January 1971. With respect to any person already retired, any such part of a period of separation shall be counted only upon application of the retired person. Annuity payments accruing under this provision are payable only for full months beginning after 8 January 1971.

I. Designation of Beneficiary for Disposition of Retirement Contributions in Excess of Benefits Received.

The change in law amended item (1) in the Order of Precedence which operates in the case of a lump-sum payment. It also operates in the event that the total contributions of a retired participant exceed the total amount returned to such participant or to an annuitant claiming through him, in the form of annuities, and the excess of the accumulated contributions over the accumulated annuity payments is paid in the following Order of Precedence upon the establishment of a valid claim therefor:

- (1) To the beneficiary or beneficiaries designated by such participant in a signed and witnessed writing received by the Retirement System before his (her) death. For this purpose, a designation, change, or cancellation of beneficiary in a will or other document not so executed and filed shall have no force or effect;
- (2) If there be no such beneficiary, to the surviving wife or husband of such participant;
- (3) If none of the above, to the child or children of such participant and descendants of deceased children by representation;
- (4) If none of the above, to the parents of such participant or the survivor of them;

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- (5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;
- (6) If none of the above, to other next of kin of such participant as may be determined by the Director in his judgment to be legally entitled thereto.

J. Authority to Maintain Existing Areas of Conformity
Between Civil Service and Agency Retirement Systems.

Whenever the President determines that it would be appropriate for the purpose of maintaining existing conformity between the Civil Service Retirement and Disability System and the Agency Retirement System with respect to substantially identical provisions, he may, by Executive Order, extend to current or former participants and annuitants in the Agency Retirement System, or to their survivors, those similar provisions of law enacted after January 1975 for Civil Service. This provision eliminates the need to resort to the lengthy legislative process to obtain for our system certain provisions enacted for the Civil Service System.

The passage of these amendments to the Agency Retirement Act will require a substantial number of changes to existing annuities. Please be assured that we shall act to accomplish all such changes as soon as possible. These adjustments will be retroactive to the dates allowed by law.

Sincerely yours,



Chief
Retirement Affairs Division

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QUESTIONS AND ANSWERS REGARDING CHANGES

A. Increase in Annuities Based on a Separation Prior to 20 October 1969.

1. Q. I retired before 20 October 1969 and am eligible for the increase. Must I apply for it?
A. No, you need not apply. The adjustment in your annuity will be made automatically by the retirement system.
2. Q. I am the surviving spouse of an annuitant who retired before 20 October 1969. Must I apply for the increase?
A. No, you need not apply. If you are eligible for the increase, the adjustment in your annuity will be made automatically by the retirement system.

B. Survivor Annuity to "Second" Spouse of Retiree Who Was Married at Time of Retirement.

1. Q. I was married when I retired. The marriage ended and I later remarried. Is my new spouse entitled to a survivor annuity?
A. Your new spouse could be paid a survivor annuity if at the time of your retirement you elected a reduced annuity with survivor benefit.
2. Q. Does my spouse whom I married after retirement have to meet any requirements to be paid the survivor annuity?
A. Yes, your new spouse must have been married to you for at least 1 year (2 years in the case of participants who died before April 9, 1974) immediately before your death or, if married less than 1 year (2 years in the case of participants who died before April 9, 1974), be the parent of a child born of the marriage. If your spouse is entitled to any other survivor annuity from the Government (not including Social Security), she (or he) must elect either that or the one provided by you. Your spouse may not receive both.
3. Q. What must I do to ensure that my new spouse is paid a survivor annuity?

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A. You should advise this office of the name of your new spouse, place and date of marriage, and provide a copy of your marriage certificate. If your new spouse survives you and meets the requirements explained in Question 2 above, she (or he) will automatically be eligible for survivor benefits.

4. Q. How much annuity will my spouse, whom I married after I retired, receive?

A. The same amount as the spouse to whom you were married when you retired would have received if she (or he) had outlived you.

5. Q. When I retired I was married but elected a single-life annuity payable during my lifetime and without a survivor benefit. Can I change this election now?

A. No. The new law does not authorize a change in the type of annuity you elected for the purpose of now providing a survivor benefit for your spouse.

4. Survivor Annuity to Spouse of Retiree Who Was Unmarried at Time of Retirement.

1. Q. I was unmarried when I retired and am now married. How does the new law affect me?

A. The new law now gives you the chance to elect a reduced annuity for yourself with a survivor benefit to your spouse.

2. Q. Is there any time limit on when I can make the election to name as a survivor annuitant my spouse whom I married after I retired?

A. Yes. If you married before 17 October 1976 you must make the election no later than 1 year from 17 October 1976.

3. Q. How do I make my election?

A. You must send your request for such a change, in writing, to the retirement system. Your request should include the name, date of birth of your spouse and the date of marriage together with a copy of the marriage certificate.

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4. Q. I am not married now but may marry in the future. Can I elect the survivor annuity after I marry?
A. Yes. If you marry on or after 17 October 1976, your election must be made within one year after the date of your marriage.
5. Q. Can I change the survivor annuity election after I make it?
A. No, the election of a survivor annuity cannot be changed after it has been accepted by the retirement system.
6. Q. Does my spouse whom I married after retirement have to meet any requirements to be paid the new survivor annuity benefit?
A. Yes. See Question 2, Part B above.

D. Elimination of the Annuity Reduction During the Period Annuitant is Unmarried.

1. Q. When I retired I elected a reduced annuity to provide a survivor benefit to my spouse. I am not married now. What must I do to have my annuity raised to the full amount?
A. You must report your marital status to the retirement system and request that your full annuity be reinstated. If your marriage terminated by divorce, you must provide a certified copy of the final decree; if by death, a certified copy of the death certificate. You must also agree to notify the retirement system immediately if you remarry.

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*This being sent only
to disability retirees
under age 59.*

The purpose of this letter is to notify you of an amendment recently approved by the President concerning an important change in our retirement law which applies to all disability annuitants under age 60.

The law now provides that if a disability annuitant, before reaching age 60, is restored to earning capacity, annuity payments stop one year from the end of the year in which earning capacity is restored. Earning capacity is deemed restored if, in each of two consecutive calendar years, the income of the annuitant from wages or self-employment, or both, equals at least 80 percent of the current rate of compensation of the position occupied immediately prior to retirement.

Each disability annuitant under age 60 is now required to complete and return, before 15 April 1977, the enclosed Report of Income form for 1976. If you do not return the form we will have to suspend payment of your annuity until we hear from you. The form herewith is for reporting your income from wages or self-employment for calendar year 1976. A similar card will be sent to you for reporting for each year until you attain age 60.

If your Reports of Income for two consecutive calendar years show that you earned at least 80 percent of the current salary of your former position in each of the two years, your disability annuity payments will be temporarily continued for one year from the end of the second calendar year in which your income equaled or exceeded the 80 percent limitation.

If your Reports of Income thus show that you have been restored to earning capacity, we will write you giving full information about the discontinuance of your annuity.


If your disability annuity is discontinued because of restoration to earning capacity you may qualify for one of the following:

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1. An immediate nondisability annuity which begins when your disability annuity stops, if you are then at least age 50 and had 20 or more years of service when you retired for disability.
2. An immediate nondisability annuity which begins when your disability annuity stops, if you had 25 or more years of service when you retired for disability, regardless of your age.
3. Reinstatement of your same disability annuity effective the first of the year following any calendar year in which your earning capacity falls below the 80 percent limitation, provided:
 - a. you are not reemployed in any position under a Federal retirement law, and
 - b. you have not recovered from the disability for which you were retired, and
 - c. you have not reached age 62.
4. A deferred annuity which begins when you reach age 62, if you do not qualify for either of the immediate nondisability annuities mentioned in 1 or 2 above, or your original disability annuity is not reinstated as mentioned in 3 above.

With this change in regulations, our retirement system is now the same as the Civil Service System with respect to disability annuitants.

Sincerely,

A large black rectangular redaction box covering the signature of the Chief of the Retirement Affairs Division.

Chief
Retirement Affairs Division

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UNCLASSIFIED		CONFIDENTIAL		SECRET	
OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS		DATE	INITIALS	
1	Deputy Director for Administration		13 NOV 1976		
2	7D 26, Headquarters				
3	ADDA		15 NOV 1976		
4	EO-ODA				
5					
6					
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks: <p style="text-align: center;">For your information.</p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.				DATE	
Acting Director of Personnel				20 OCT 1976	
UNCLASSIFIED		CONFIDENTIAL		SECRET	